

Celia Nogales
Federal Regulatory Relations

1715 Pennsylvania Avenue, N.W., Suite 1100
Washington, D.C. 20004
(202) 343-6425

EX PARTE OR LATE FILED

PACIFIC  TELESIS
Group Washington

ORIGINAL

DOCKET FILE COPY ORIGINAL

DOCKET FILE COPY ORIGINAL

RECEIVED

December 2, 1993

DEC 13 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

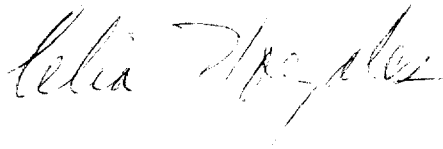
RE: CC Docket 92-77

Dear Mr. Caton:

Today, Derek Hibbard, Pacific Bell Billing Services, and I met with Gary Phillips, Special Counsel and Mark Nadel in the Policy and Programming Planning Division of the Common Carrier Bureau to discuss a number of issues relating to the proceeding indicated above. The attached document was used during the course of our meeting.

Pursuant to Section 1.1206(a)(1) of the Commission's Rules, an original and two copies of this notification are attached. Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



cc: G. Phillips
M. Nadel

No. of Copies rec'd
List ABCDE



Billed Party Preference: Demand For 14-Digit Screening

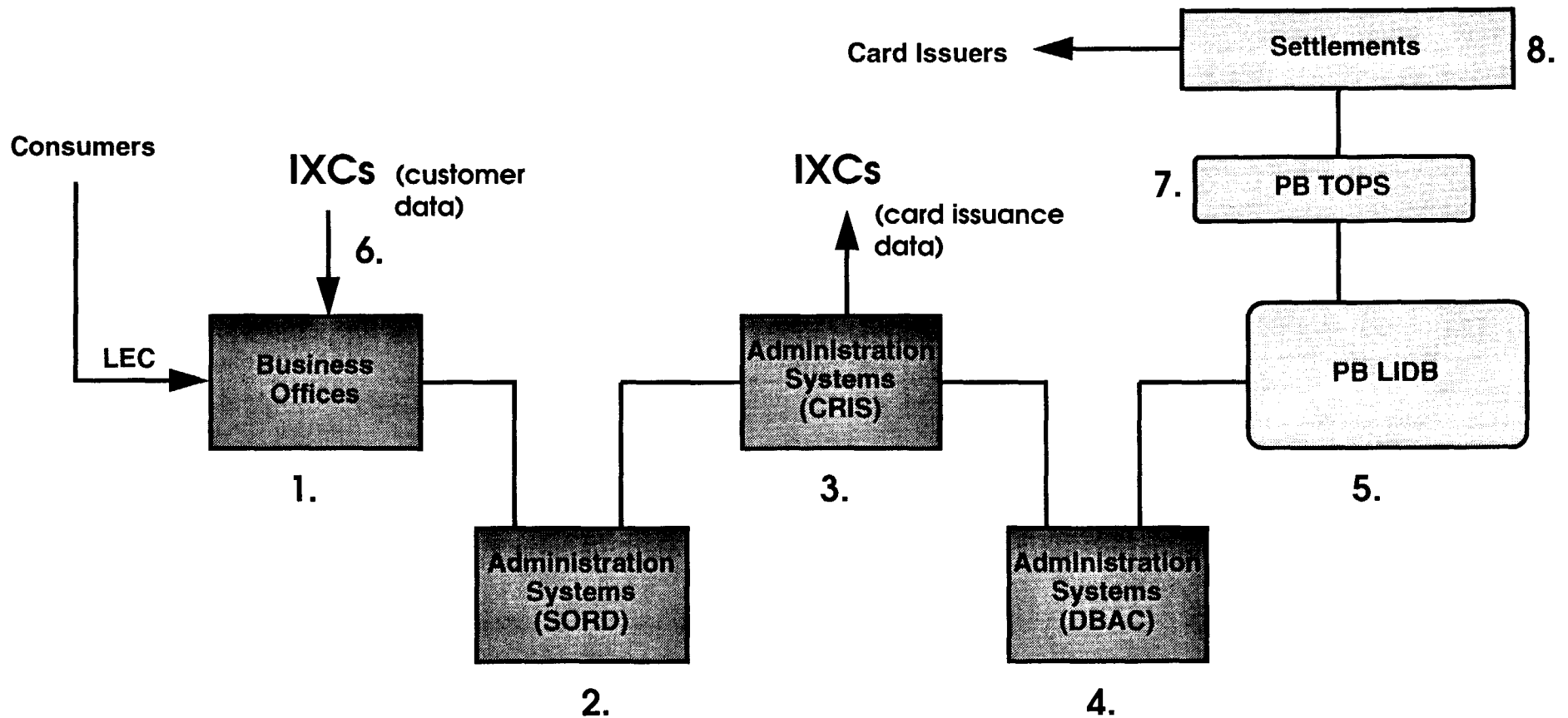
Consumer View

- Consumers demand an 0+ line number card that always works.
- This card must work for all types of calls from all locations.
- If this need can be met, there is little demand for more than one line number card (those that need to use a card for more than one application could have multiple PINS assigned to their card, which would be more practical than 14-digit screening).

IXC View

- IXCs would like to issue line number cards.
- Pacific's shared card approach (see attachment) best provides this option.
- With either the shared card or 14-Digit screening , the data must reside in the LEC LIDB, therefore there is no additional IXC advantage to a 14-digit screening card.
- Ditto for card features.

14-Digit Screening - Cost Components



Cost Components *(high level estimates)*

1. Business Offices

- Additional training
- Longer customer contact times
- Greater churn

Upfront Costs:

high = \$ 1.0 Million

low = \$ 500K

2. SORD

- Ability to recognize and process a more complex service order
- Longer processing times
- Increased data requirements and more complex business rules

Upfront Costs:

high = \$1.0 million

low = \$ 700K

3. CRIS Billing System

- Significant data storage requirements
- The logical location to sort and coordinate PIN assignments
- Could require a more expensive standalone system (not costed).

Upfront Costs:

high = \$ 700K

low = \$ 500K

4. Database Administration System (DBAC)

- More complex DP requirements
- Greater churn and more complex customer contacts
- Radically more difficult fraud control requirements (not costed)

Upfront Costs:

high = \$ 300K

low = \$ 200K

5. Line Information Database (LIDB)

- Additional data fields
- New responses
- Modifications to EEM feed to fraud control systems

Upfront Costs:

high = \$1.3 million

low = \$ 800K

6. IXC interfaces

- Additional training
- Additional data
- More complexity

Upfront Costs:

high = \$ 250K

low = \$ 150K

7. TOPS changes

- Software upgrades to capture multiple PINs
- Additional data fields for AMA records
- More complexity

Upfront Costs:

high = \$ 600K

low = \$ 350K

8. Settlements

- Additional data
- More complexity

Upfront Costs:

high = \$ 200K

low = \$150K

Total Implementation Costs (actuals could be higher due to yet to be costed items)

	Low	High
1. Business Office	\$ 500K	\$ 1.0 mil.
2. SORD	\$ 700K	\$ 1.0 mil.
3. CRIS	\$ 500K	\$ 700K
4. DBAC	\$ 200K	\$ 300K
5. LIDB	\$ 800K	\$ 1.2 mil.
6. IXC interfaces	\$ 150K	\$ 250K
7. TOPS	\$ 300K	\$ 600K
8. Settlements	\$ 150K	\$ 200K
<u>Totals</u>	<u>\$ 3,150K</u>	<u>\$ 5,050K</u>

Additional Considerations

Multiple PINS

- **Pacific Bell is planning on assigning multiple PINS against a single line number in order to meet demand for multiple applications. For example, roommates might want to share a line number or professionals might need to differentiate usage among their clients.**
- **The result could be a system with the capability to match up to 400 PINS against a single line number (20 PINS for subaccount billing and 20 PINS for multiple IXC assignment).**
- **Associated impacts include.....(our cost analysis ignores the combination of multiple PINS with 14-digit screening)**
 - **LIDB memory constraints**
 - **System performance, e.g., response times**
 - **PIN hacking**
 - **Fraud monitoring nightmares**
 - **Cumbersome service order provisioning**

Additional Considerations

Should 14-digit screening cards be proprietary?

- If proprietary, the card might not work during default situations.
- If not, defaults will cause carrier A to need to honor carrier B's card.
- The impact of option two is additional settlements complexity.

Call Blocking

- Some carriers plan on blocking calls on certain cards to certain countries.
- If we have to do this on a PIN basis instead of on a card basis, we add a significant level of complexity to the associated systems.

Additional Considerations

Schedule

- 14-digit screening could delay implementation.
- Possible delay elements include....
 - The need for the industry to agree on a design, e.g., should cards be proprietary
 - Additional standards work
 - Vendor development
 - Fraud systems changes

Additional Considerations

- **Provisioning delays could be caused by the complex interfaces and interactions between the LEC and the card issuing IXCs.**
- **LEC control of IXC data could be a concern.**
- **Fraud control will be more complex by at least an order of magnitude.**

PB Response To Sprint Ex Partes

Business relationships

Sprint view; LEC will control relationships with their shared card approach.

Pacific view; IXC can control all associated customer relationships.

- Can use only their logo on the shared card**
- Can have the billing relationship**
- Will have complete control over customer communications**
- Customer will interface with Sprint business offices**

IntraLATA transport

Sprint view; LEC will demand intraLATA transport

Pacific view; Sprint should not jump to this conclusion. If regulatory and legal bodies decide card issuer has the right to transport, then Sprint as card issuer will get the transport.

Card Features

Sprint view; Shared cards will not work with Sprint features

Pacific view; the issue is the same with shared cards or 14-digit screening in both cases validation data will be stored in the LEC LIDB and features that depend on LIDB will require LEC modifications, which Pacific at least is willing to entertain.

LEC monopoly on line numbers

Sprint view; LEC will monopolize line numbers.

Pacific view; We will share line numbers.

Conclusion - Shared Cards vs. 14-Digit screening

Shared cards meet the same customer needs at a much lower cost

- **There is no demand for 14-digit screening**
- **It brings minimal additional benefit to card issuers**
- **Its costs are prohibitive**
- **System wide implementation is onerous**

Customer confusion, implementation complexity and high costs do not justify 14-digit screening.

IN SUMMARY, PACIFIC BELL WILL NOT MAINTAIN A MONOPOLY ON LINE NUMBER CARDS AND FEELS THAT IN A MANNER SIMILAR TO 1+ EQUAL ACCESS THE CONSUMER SHOULD HAVE A RIGHT TO PICK A SINGLE LONG DISTANCE CARRIER/LINE NUMBER CARD ISSUER, IF THEY WANT.

PB Comments On CompTel Study

The CompTel study's principal thesis is that most consumers get their preferred carrier by dialing 0 most of the time. We agree with this central point and must add that this is true only when this carrier is AT&T. This is not as the study uses the words "restoring consumer choice".

This is not equal access and ignores key market fundamentals.

- Consumers care about the number of digits dialed and continue to be confused by access codes.
- Even most price sensitive consumers become more convenience sensitive when they go out on the road.
- Only AT&T can advocate 0+ dialing.

The study adds a category of calls called "previously dialed special access code dialing" and alludes to a related increase in access time. We do not understand this distinction and disagree with the view of increased processing times.

We also question the thought that current commission revenue will be replaced by location specific charges.

- Today, the associated charges are hidden from the consumer.**
- Location specific charges generally are not and thus have become a significant consumer concern.**
- Hotels, for example, probably cannot afford to incur consumer wrath that due to the explicit nature of the charges, will be focused on them.**

BPP ALTERNATIVE

If for any reason, BPP's cost benefit were to shift, the FCC should reconsider 0+ Public domain as an alternative to provide fair market competition.

- It reduces AT&T advantage in competing for public presubscription**
- With measures to protect consumers from exorbitant rates, it expands 0+ dialing.**

This view is supported by the following arguments:

- Most consumers are indifferent to service providers as long as charges are within reasonable ranges.**
- AT&T today can still leverage its 0+ card base to in essence monopolize the market at large transient sites such as top hotels and major airports.**
- Universal 0+ dialing, however, will require some form of consumer protection because of those that take advantage of location monopolies to charge above market rates.**